



---

# NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE  
1851 South Bell, Crystal Mall 3  
Arlington, Virginia 22240-5291

Press Release 0409-0002  
For immediate Release  
20 April 2009

## **DFAS to in-source Retired and Annuitant Pay Functions**

**ARLINGTON, VA, April 20, 2009**, -- Defense Finance and Accounting Service (DFAS) officials announced today they have decided to transition Department of Defense Retired and Annuitant (R&A) pay functions to a government run operation performed by DoD civilian workers in early 2010. Currently this work is performed by an outside contractor.

Section 324 of the 2008 NDAA directed the Department of Defense to consider using DoD civilian employees to perform functions performed by contractors that could be performed by DoD civilian employees and give special consideration to in-sourcing functions that have been performed by DoD civilian employees any time in the past 10 years.

The DFAS conducted a Business Case Analysis to determine if R&A pay was a viable candidate for in-sourcing.

According to DFAS Director Terri McKay, the BCA concluded in-sourcing R&A pay was the preferred solution.

"The study showed bringing this work back in-house would result in savings of more than \$20 million over the next 10 years, provide improved flexibility and reduce risks to operations, and finally would allow us to sustain and potentially improve service delivery and customer satisfaction," said McKay.

Plans call for an orderly transition from the contractor to a government managed and operated R&A function effective in early 2010.

- 30 -

### **About DFAS**

The Defense Finance and Accounting Service provides responsive, professional finance and accounting services to the men and women who defend America. DFAS pays about 6 million people and in the FY 2008 made 7.5 million travel payments, paid 14.4 million commercial invoices, made \$591 billion in disbursements to pay recipients, and managed \$394 billion in military retirement and health benefits funds. For more about DFAS visit <http://www.dfas.mil>.